
SENATE BILL No. 268

DIGEST OF INTRODUCED BILL

Citations Affected: IC 6-1.1-1-11; IC 6-1.1-12-44.

Synopsis: Property tax deduction for farm security items. Provides a property tax deduction not to exceed \$25,000 assessed value per year relating to secure storage of fertilizers and pesticides that could be used for terrorism or illegal drug manufacturing. Specifies that the deduction is available for certain chemical additives and for tangible personal property that is: (1) installed or placed in service after March 1, 2007; and (2) used to provide security for a fertilizer or pesticide by: (A) restricting access to or control of; or (B) conducting surveillance on or detecting unauthorized access to; the fertilizer or pesticide. Provides that, in addition to a certified application statement, a person claiming the deduction must file a certification by the state chemist that the property for which the deduction is claimed has been installed or placed in service. Specifies that a person may not receive the deduction for security devices and the "automatic abatement deduction" for the same property.

Effective: Upon passage.

Heinold, Weatherwax

January 8, 2007, read first time and referred to Committee on Tax and Fiscal Policy.

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Introduced

First Regular Session 115th General Assembly (2007)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2006 Regular Session of the General Assembly.

SENATE BILL No. 268

A BILL FOR AN ACT to amend the Indiana Code concerning taxation.

Be it enacted by the General Assembly of the State of Indiana:

- 1 SECTION 1. IC 6-1.1-1-11, AS AMENDED BY P.L.214-2005,
2 SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 UPON PASSAGE]: Sec. 11. (a) Subject to the limitation contained in
4 subsection (b), "personal property" means:
5 (1) nursery stock that has been severed from the ground;
6 (2) florists' stock of growing crops which are ready for sale as pot
7 plants on benches;
8 (3) billboards and other advertising devices which are located on
9 real property that is not owned by the owner of the devices;
10 (4) motor vehicles, mobile houses, airplanes, boats not subject to
11 the boat excise tax under IC 6-6-11, and trailers not subject to the
12 trailer tax under IC 6-6-5;
13 (5) foundations (other than foundations which support a building
14 or structure) on which machinery or equipment is installed;
15 (6) fences that are:
16 (A) installed or placed in service after March 1, 2007; and
17 (B) used to provide security for a fertilizer or pesticide by:



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- (i) restricting access to or control of; or
- (ii) conducting surveillance on or detecting unauthorized access to;
- the fertilizer or pesticide; and
- ~~(6)~~ (7) all other tangible property (other than real property) which is being:
 - (A) held for sale in the ordinary course of a trade or business;
 - (B) held, used, or consumed in connection with the production of income; or
 - (C) held as an investment.

(b) Personal property does not include the following:

- (1) Commercially planted and growing crops while they are in the ground.
- (2) Computer application software that is not held as inventory (as defined in IC 6-1.1-3-11).

SECTION 2. IC 6-1.1-12-44 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 44. (a) The following definitions apply throughout this section:**

- (1) "Facility" means real property improvements or personal property, or both, that are used in a person's agricultural, commercial, or industrial operation at a single location.
- (2) "Fertilizer" refers to a fertilizer that:
 - (A) is subject to the fertilizer storage rules adopted by the state chemist under IC 15-3-3-12; and
 - (B) could be used for terrorism or illegal drug manufacturing.
- (3) "Pesticide" refers to a pesticide that:
 - (A) is subject to the pesticide storage rules adopted by the state chemist under IC 15-3-3.5-11; and
 - (B) could be used for terrorism or illegal drug manufacturing.

(b) Subject to subsection (d), a person is entitled to an annual property tax deduction in an amount equal to the assessed value of any tangible personal property that is:

- (1) installed or placed in service after March 1, 2007; and
- (2) used to provide security for a fertilizer or pesticide by:
 - (A) restricting access to or control of; or
 - (B) conducting surveillance on or detecting unauthorized access to;

the fertilizer or pesticide.

(c) Subject to subsection (d), a person is entitled to an annual

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property tax deduction in an amount equal to the part of the assessed value of a fertilizer or pesticide located at a facility that is attributable to a chemical:

(1) added to; and

(2) designed to deter the theft of;
the fertilizer or pesticide.

(d) The total annual amount of the deduction that a person may receive under:

(1) subsection (b) for tangible personal property installed or placed in service; and

(2) subsection (c) for the assessed value of a chemical added to and designed to deter the theft of a fertilizer or pesticide;
at a facility may not exceed twenty-five thousand dollars (\$25,000).

(e) To obtain a deduction under this section, a person must file a certified statement in duplicate, on forms prescribed by the department of local government finance, with the auditor of the county in which the property is subject to assessment. In addition to the certified statement, the person must file a certification by the state chemist that the property for which the deduction is claimed has been installed or placed in service. The statement and certification must be filed not later than:

(1) the personal property return due date for the assessment year; or

(2) if the person obtains a personal property return filing extension under IC 6-1.1-3-7(b), the extended due date for the assessment year.

Upon the verification of the statement by the assessor of the township in which the property is subject to assessment, the county auditor shall allow the deduction.

(f) A person that qualifies for a deduction for a year under this section and under IC 6-1.1-12.4 with respect to the same property may not receive a deduction under both this section and IC 6-1.1-12.4 for the property.

SECTION 3. [EFFECTIVE UPON PASSAGE] IC 6-1.1-12-44, as added by this act, applies to property taxes first due and payable after December 31, 2008.

SECTION 4. An emergency is declared for this act.

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